

**IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF OKLAHOMA**

1. GLORIA STEPHENS,)
2. SEBRINA RUSSELL,)
)
)
Plaintiffs,)
)
)
v.) Case No. CIV-16-1240-W
)
1. FARMERS INSURANCE COMPANY,)
INC., a foreign, for-profit insurance)
corporation,)
)
Defendant.)

COMPLAINT

A. Parties

1. Plaintiffs, Gloria Stephens and Sebrina Russell, are each citizens of the State of Oklahoma.
2. Defendant, Farmers Insurance Company, Inc., is a foreign, for-profit insurance corporation incorporated and organized under the laws of the State of Kansas.
3. The principal place of business for Defendant, Farmers Insurance Company, Inc., is within the State of Kansas.
4. The Defendant, Farmers Insurance Company, Inc., is licensed to conduct business in the State of Oklahoma and may be served with process through the Oklahoma Department of Insurance.

5. This action is not related to any other case filed in this court.

B. Jurisdiction

6. The court has jurisdiction over this matter pursuant to 28 U.S.C. §1332 as there is diversity between the parties and the amount in controversy exceeds \$75,000.00, exclusive of interest and costs.

C. Facts

7. At all times material hereto, Plaintiffs, Gloria Stephens and Sebrina Russell, owned a rental home located at 1501 Magnolia Avenue in Oklahoma City, Oklahoma.

8. On or about April 29, 2016, Plaintiffs' rental home was damaged as the result of wind and rain.

9. At all times material hereto, the Plaintiffs, Gloria Stephens and Sebrina Russell, were insured under the terms and conditions of a rental insurance policy, policy No. 0914481569, issued by the Defendant, Farmers Insurance Company, Inc.

10. At all times material hereto, Plaintiffs, Gloria Stephens and Sebrina Russell, complied with the terms and conditions of their insurance policy.

11. Wind and rain are covered perils and the Plaintiffs' damages which occurred on or about April 29th, 2016 are not otherwise excluded pursuant to the terms and conditions of the policy issued by the Defendant, Farmers Insurance

Company, Inc.

D. Count I Breach of Contract

12. Plaintiffs, Gloria Stephens and Sebrina Russell, hereby assert, allege and incorporate paragraphs 1-11 herein.

13. The property insurance policy No. 0914481569, issued by the Defendant, Farmers Insurance Company, Inc., was in effect on April 29th, 2016.

14. The acts and omissions of the Defendant, Farmers Insurance Company, Inc., in the investigation, evaluation, and denial of Plaintiffs' claim were unreasonable and constitute a breach of contract for which contractual damages are hereby sought.

15. Defendant's breach of contract includes, but is not limited to, the improper denial of Plaintiffs' claim and the failure to pay for covered damage to the Plaintiffs' rental home, including ridge shingles which were blown up by wind and water damaged drywall, flooring, and interior finishes. On or about April 29th, 2016 a wind storm caused ridge shingles on Plaintiffs' property to separate from their sealant thereby exposing the nail heads and resulting in a storm created opening through which wind driven rainwater was allowed to intrude into the home. Defendant conducted an improper and unreasonable claim investigation, evaluation, and adjustment which resulted in an improper and unreasonable denial of coverage for Plaintiffs' covered loss. Defendant, Farmers Insurance Company, Inc., improperly

and unreasonably denied Plaintiffs' claim when the above mentioned loss was covered pursuant to the terms and conditions of the policy purchased by Plaintiffs.

E. Count II Bad Faith

16. Plaintiffs, Gloria Stephens and Sebrina Russell, hereby assert, allege and incorporate paragraphs 1-15 herein.

17. The above mentioned acts and omissions of the Defendant, Farmers Insurance Company, Inc., in the investigation, evaluation, and denial of Plaintiffs' claim were unreasonable and constitute bad faith for which bad faith and extra-contractual damages are hereby sought. Defendant unreasonably and in bad faith failed to pay for covered damage to the Plaintiffs' rental home, including ridge shingles which were blown up by wind and water damaged drywall, flooring, and interior finishes. Defendant conducted an improper and unreasonable claim investigation, evaluation, and adjustment which resulted in an unreasonable denial of coverage for Plaintiffs' covered loss. Defendant, Farmers Insurance Company, Inc., improperly and unreasonably denied Plaintiffs' claim without proper investigation despite the fact that the above mentioned loss was covered pursuant to the terms and conditions of the policy purchased by Plaintiffs.

18. Defendant's unreasonable, bad faith conduct includes, but is not limited to, an unreasonable claim investigation, evaluation, and adjustment which resulted in an improper denial of coverage for Plaintiffs' covered loss. Following

Defendant's improper and unreasonable denial of the Plaintiffs' claim, Plaintiffs provided Defendant with an engineering report which thoroughly documented the source of water intrusion into Plaintiffs' home and found that, contrary to Defendant's conclusion that the ceiling collapsed due to "improper gypsum ceiling board", the loss to Plaintiffs' property was the result of wind driven rain which was allowed to intrude through a storm created opening along the ridgeline. The engineering report provided by Plaintiffs clearly and obviously demonstrated that Plaintiffs' loss was covered and that Defendant's claim denial was improper and inconsistent with the facts of the loss. Additionally, Plaintiffs requested that Defendant review the engineering report and reevaluate Plaintiffs' claim. Without conducting further investigation and without re-inspecting Plaintiffs' home, Defendant unreasonably persisted in the denial of Plaintiffs' claim and committed bad faith by ignoring evidence which supported coverage and refusing to further investigate the claim.

F. Count III Punitive Damages

19. Plaintiffs, Gloria Stephens and Sebrina Russell, hereby assert, allege and incorporate paragraphs 1-18 herein.

20. The unreasonable conduct of the Defendant, Farmers Insurance Company, Inc., in the handling of Plaintiffs' claim was intentional, willful, wanton, and was committed with a reckless disregard for the rights of the Plaintiffs for

which punitive damages are hereby being sought.

G. Demand for Jury Trial

21. The Plaintiffs, Gloria Stephens and Sebrina Russell, hereby request that the matters set forth herein be determined by a jury of their peers.

H. Prayer

22. Having properly pled, Plaintiffs, Gloria Stephens and Sebrina Russell, hereby seek contractual, bad faith and punitive damages against the Defendant, Farmers Insurance Company, Inc., all in an amount in excess of \$75,000.00; including costs, interest and attorney fees.

Respectfully submitted,

S/ Michael D. McGrew

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